

Portugal's electoral coup

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The sudden resignation of Portuguese Prime Minister José Manuel Durão Barroso in June caused “Portugal’s gravest political crisis since the 1974 revolution,” according to Portuguese media sources. The 1974 Revolution occurred after a military coup against the Marcello Caetano dictatorship led to an uprising by Portugal’s working class and peasantry.

Durão Barroso resigned as prime minister of the Social Democratic Party (PSD)/Popular Party (PP) coalition government in order to take up his post as president of the European Commission. He also stepped down as leader of the PSD.

Within a month the populist mayor of Lisbon, Pedro Santana Lopes—described as “Portugal’s Berlusconi” for his political, media and sporting ventures—had succeeded Durão Barroso as PSD leader and prime minister and Eduardo Luís Barreto Ferro Rodrigues, leader of the Socialist Party (PS), had resigned with former Environment Minister José Socrates tipped to succeed him.

Durão Barroso was nominated for the European presidency at the end of June after Britain vetoed a Franco-German bid to appoint Belgian Prime Minister Guy Verhofstadt as president, claiming he was too federalist and anti-United States. Durão Barroso strongly backed the war in Iraq and sent a unit of 127 military policemen (GNR) to join the occupation that is serving under British command.

Under the Portuguese constitution the president has the power to nominate a successor or call fresh elections following the resignation or incapacity of the prime minister. Following Durão Barroso’s resignation Jorge Sampaio, a Socialist Party leader who has been president since January 1996 said, “I am in no rush because I am totally convinced that this is one of the most important and serious decisions of my two mandates.”

The PS, the Communist Party, the radical Left Bloc

and the Greens have called for bringing forward elections scheduled in 2006. PS leader Rodrigues said: “This decision puts us in a situation of instability and uncertainty... The best solution to this crisis will be the holding of early legislative elections within the shortest lapse of time possible.”

Sampaio announced his decision not to call fresh elections after a series of meetings with members of the State Council, an advisory body composed of senior politicians, former presidents and prime ministers. Sampaio also consulted leading business figures such as Francisco Pinto Balsemão. Pinto Balsemão was a deputy in the Assembly during Caetano’s dictatorship and a founder member of the PSD. He is owner of a media empire that includes the *Expresso* newspaper as well as Portugal’s first private television station, SIC. According to the *Portugal News*, Pinto Balsemão invited Santana Lopes and José Socrates in early June to his Italian villa to a meeting of the elitist and secretive Bilderberg group on whose steering committee he sits. Even the *Expresso* admits that future world leaders are often “pruned” at Bilderberg meetings, mentioning names such as Sampaio and the last PS Prime Minister António Guterres.

Sampaio justified his decision not to call early elections on the grounds that this would create enormous political instability and hurt the struggling economy. And he warned that he would use the constitution to stop Santana Lopes if he failed to continue Durão Barroso’s “commitment to fiscal rigour” or tried to change his policies on Europe, defence, justice and foreign affairs.

Paulo Portas of the PP welcomed the president’s verdict saying, “We respect the decision of the President of the Republic and we are in full agreement with it.”

Within minutes of Sampaio’s announcement Ferro Rodrigues resigned as leader of the PS, stating that, “It

is now up to the Socialist Party to choose a new Secretary-General capable of confronting the new political situation.”

Durão Barroso’s Finance Minister Manuela Ferreira Leite whom Santana Lopes sacked soon after taking power complained to the newspaper *Publico* said: “Without a congress (of the party) nobody has the legitimacy to appoint a new SDP chairman and therefore a prime minister. This amounts to staging a coup within the party.”

In fact the whole episode surrounding Santana Lopes’s installation as party leader and prime minister took the form of an electoral coup by the state against the popular will. Opinion polls showed the majority of the population—hostile to Durão Barroso’s free market policies and his support for the Iraq War—wanted early elections to be held.

Durão Barroso came to power in March 2002 with Portugal the first eurozone country to break the rules of the Stability and Growth Pact with a public deficit of 4.1 percent of GDP. Portugal’s bourgeoisie needed a government to bring the country’s deficit back within the 3 percent ceiling.

After its election, Durão Barroso’s government cut state spending and taxes for corporations and high earners, started privatising the remaining state-owned companies and introduced labour market reforms, including changes to allow businesses to fire workers more easily and reduce overtime payments.

Although it has received more than \$26 billion in aid from the European Union since 1989, Portugal remains one of the poorest countries in the EU, with the lowest productivity and educational standards. The European Union’s expansion in May from 15 to 25 members is regarded as a further threat especially from the competition from cheaper and better-qualified labour in Eastern Europe. Although the average monthly salary in Portugal is about 845 euros (\$US1,025), in many Eastern European nations it is below 500 euros. Only 9 percent of Portuguese people of working age have a university degree compared to an average of 14 percent for the new 10 EU entrants.

Economists have criticised the Portuguese government for its policy of one-off measures to reduce the public deficit such as privatising a state asset or a tax amnesty and called for more thorough structural reforms. They have called on the government to

drastically cut the remaining public sector areas as health and government that employ 700,000 workers or 15 percent of the workforce.

This can only mean further impoverishment for the working class and a growing class polarisation. A European Commission report last year showed that one in five Portuguese citizens lives below the poverty line of 270 euros (\$US290) per month. Portugal at the time also had the EU’s largest income gap with the income of the wealthiest 20 percent of the population 6.4 times that of the poorest 20 percent of households.

Sensing the crisis that lays ahead Ferro Rodrigues made the PS campaign in June’s elections to the European Parliament a plebiscite on Durão Barroso’s government. But it also became a plebiscite on the whole system of bourgeois rule. The results proved there is widespread disaffection with the electoral system—only 38.8 per cent voted.

After the European election results Ferro Rodrigues declared, “What is clear is that those who have a clear majority in parliament do not enjoy the support of the majority of the Portuguese people”. Reflecting the opposition of the vast majority of the population to the war in Iraq he added: “The presence of the GNR in Iraq should conclude its mission at the end of September.”

The results of the European elections and the threat of a repeat of the elections in Spain when the promise of troop withdrawal met such a response sounded alarm bells to Portugal’s ruling elite. Hence Sampaio’s decision to ensure a “smooth transition” at any cost.



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